

No. 11940

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

LANE BRYANT, INC.,

Appellant,

vs.

MATERNITY LANE, LTD., OF CALIFORNIA, a corporation,
JACK LANE, JR., JANE LANE and LUCILLE LANE,

Appellees.

APPELLEES' BRIEF.

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MATERNITY LANE, LTD., OF CALIFORNIA, a corporation,
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Appellees.

APPELLEES' BRIEF.

*To the Honorable Judges of the United States Circuit
Court of Appeals, for the Ninth Circuit:*

Come now Maternity Lane, Ltd., of California, a corporation, Jack Lane, Jr., Jane Lane and Lucille Lane, appellees herein and in reply to the appellant's opening brief, respectfully state as follows:

Statement of the Case.

Appellees deem it necessary to supplement the statement of the case as set forth on pages 2 to 6 of appellant's opening brief. This action was commenced by the appel-

lant on October 2, 1947, when it filed the following documents in the court below:

Complaint for Injunction [Tr. 2-8];

Notice of Motion for Preliminary Injunction [Tr. 9];

Affidavit of Raphael Bryant Malsin in Support of Motion for Preliminary Injunction [Tr. 10-20];

Affidavit of Harold F. Birnbaum in Support of Motion for Preliminary Injunction [Tr. 21].

The allegations of the complaint are well summarized by appellant on pages 3 to 6 of appellant's opening brief. As stated by appellant on page 6 of its opening brief, the affidavits "set forth the same material alleged in the complaint in greater detail, with numerous Exhibits relating to instances of the alleged infringement of trademark and unfair competition."

The detail and exhibits referred to are significant because even appellant concedes that they were properly before the court below in connection with its ruling on appellant's motion for preliminary injunction and, as appellees contend, were properly before the Court in connection with the Court's ruling on appellees' motion to dismiss.

It was alleged in paragraph VI of the complaint [Tr. 3] that "from its inception said business [appellant's] specialized in maternity apparel and apparel for stout women." This allegation is repeated in the affidavit of Raphael Bryant Malsin [Tr. 10] and the affidavit goes on to say that of appellant's consolidated net sales for the years 1937 through 1946 "approximately 5% were sales of maternity apparel" [Tr. 11]. The complaint [Tr. 3] and Mr. Malsin's affidavit [Tr. 10] contain

allegations that the appellant has stores and sales outlets in several eastern states and midwestern states, going as far west as the states of Minnesota, Iowa and Missouri. Appellant alleges in paragraph VIII of his complaint [Tr. 4], and in the affidavit of Mr. Malsin [Tr. 11], that it engages in the mail order business, and Mr. Malsin states in his affidavit that 25% of the net sales of appellant were mail order sales, and that for the years 1939 through 1947, appellant distributed more than two million catalogs for the mail order sale of maternity apparel of which 50,000, or 1/40th, were mailed to customers living in the state of California, of which 6200 were mailed to customers in Los Angeles, California, or approximately 1/300ths of the total number of catalogs mailed between 1939 and 1947.

Attached to, and made a part of Mr. Malsin's affidavit, were the following exhibits:

(a) Appellant's Mail Order Catalog for Maternity Apparel for the Spring and Summer of 1947 [Tr. 20];

(b) Trademark registration, registered by appellant with the United States Patent Office, on February 14, 1928;¹

(c) Reproduction of the advertisements used by appellant in advertising its mail order catalog for

¹Pursuant to an order of this court, all exhibits attached to the affidavit of Raphael Bryant Malsin in support of preliminary injunction, filed October 7, 1947, all exhibits attached to the affidavit of Harold Birnbaum in support of motion for preliminary injunction, and all exhibits attached to the affidavit of Jack Lane, Jr., in support of motion to dismiss and in opposition to motion for preliminary injunction filed October 17, 1947, were not printed or reproduced and may be considered by this court in their original form. [Tr. 61-62.]

the Spring and Summer of 1947 [Exhibit "A" aforementioned], similar advertisements published by appellant in connection with its mail order catalog for Fall and Winter of 1946-1947, for the Spring and Summer of 1946, for the Fall and Winter of 1946, for the Spring and Summer of 1945, and for the Fall and Winter of 1944;

(d) A reproduction of the cover page of the 1918 maternity apparel catalog published by appellant;

(e) A reproduction of a newspaper advertisement published by appellant in 1947;

(f) Reproduction of a magazine advertisement published by appellant in 1947;

(g) A reproduction of an article pertaining to appellant appearing in Time Magazine of February 10, 1947;

(h) A photograph of the exterior of appellees' store in Los Angeles, California;

(i) A reproduction of a newspaper advertisement published by appellees in 1947;

(j) A reproduction of a magazine advertisement published by appellees in 1947;

(k) Copy of telegram sent by appellant's counsel to appellees dated February 15, 1946, protesting the use of the name "Maternity Lane" by appellees;

(l) Copy of letter written by appellant's counsel to appellees dated February 15, 1946, containing a similar protest;

(m) Copy of letter written by appellant's counsel to appellees dated January 7, 1947, containing a similar protest.

The affidavit of Harold Birnbaum [Tr. 21] filed by appellant at the same time as its complaint was filed, contained as exhibits thereto numerous specimens of newspaper advertisements used by appellees.

Appellees on October 7, 1947, filed their Notice of Motion to Dismiss the Complaint on the ground that it failed to state a claim against appellees upon which relief could be granted [Tr. 22]. At the same time, appellees filed the affidavit of Jack Lane, Jr., in support of their Motion to Dismiss and in opposition to appellant's Motion for Preliminary Injunction [Tr. 23-26]. In that affidavit the affiant stated that he was president and active manager of the corporate appellee; that the corporate appellee was engaged exclusively in the sale at retail of maternity apparel; that no other kind of merchandise was sold by appellees; that all of the stock of the corporate appellee was owned by individuals having the surname "Lane"; that the name was selected because the appellees felt it pleasantly and distinctly described the type of business to be engaged in by the appellees, and also made use of the surname of the family owning all of the corporate appellee's stock; that the advertising material was selected without any reference to appellant's advertising; that the phrases "mother-to-be" and "mothers-to-be" had been found by affiant in mail order catalogs used by Sears-Roebuck & Co., and Montgomery-Ward & Co., in connection with the sale of maternity apparel. Attached to and made a part of said affidavit were numerous specimens of maternity apparel advertising, where the phrase "mothers-to-be" was used. The advertising specimens included newspaper and magazine advertisements for stores throughout the United States. The affidavit also contained allegations to the effect that as soon as appellant made known its objection to script-type lettering, appellees

immediately discontinued the use of script in their advertising; this allegation was not disputed.

The affidavit of Max L. Raskoff was filed by appellees in support of their motion to dismiss and in opposition to appellant's motion for preliminary injunction [Tr. 27-29]. That affidavit contained allegations to the effect that affiant was, at the time during which negotiations were carried on between the parties prior to the filing of this suit, the attorney for the appellees; that shortly after receipt of the telegram and letter sent by appellant's counsel to appellees [Exhibits "K" and "L" to the affidavit of Raphael Bryant Malsin], dated February 15, 1946, the affiant replied that he had advised appellees that the names of the parties were not similar and appellees were not violating appellant's trademark or engaging in unfair competition with appellant; that no reply was ever received to said letter and that the next communication received in connection with this controversy was dated January 7, 1947, which was a letter from appellant's Los Angeles counsel and which is attached to the affidavit of Mr. Malsin and marked Exhibit "M" thereto; that after the receipt of said letter, extensive negotiations were carried on between January 7, 1947, and the month of August, 1947, and at no time during said negotiations was any mention ever made of any alleged resemblance between the script lettering used in advertising by the appellees and the appellant, and that in August 1947 such contention was made by appellant, whereupon appellees voluntarily ceased using script-type lettering in any of their advertising material. The affidavit also stated that at no time during the negotiations, prior to the receipt of the complaint from appellant was ever any claim made by appellant as to the use of the phrases "mother-to-be," or "mothers-to-be."

Analysis of Appellant's Complaint and Affidavits.

The gist of the cause of action attempted to be asserted by appellant in its complaint is that by reason of the similarity of the name "Lane-Bryant" and the name "Maternity Lane" . . . "the public will be deceived and defrauded." There is no allegation that the appellant's name was known by the public as anything other than "Lane-Bryant" or that appellees' name was known in any way other than "Maternity Lane." There is also a complete absence of any allegation that any members of the public have actually been misled.

Appellant concedes that the Court properly considered the complaint and all the affidavits on file in connection with its ruling on the motion for preliminary injunction. The affidavits show, without any conflict whatsoever, that appellant did in excess of \$40,000,000.00 worth of business a year, of which only 5% was in connection with maternity apparel and apparently 95% was in connection with the sale of clothing for stout women; that appellees engaged exclusively in the sale of maternity apparel; included were copies of the alleged infringing and unfairly competing advertising material, the lettering complained of, and the examples of the use of the phrase "mothers-to-be"; and that on February 15, 1946, appellants protested appellees' use of the name "Maternity Lane" but did not file their action to enjoin appellees until October 2, 1947.

SUMMARY OF ARGUMENT.

On the basis of the authorities hereinafter referred to, the rulings of the learned District Court on appellant's motion for preliminary injunction and appellees' motion to dismiss, should be affirmed.

I.

The denial of appellant's motion for preliminary injunction was proper.

(a) The question of appellant's right to a preliminary injunction was not moot.

(b) The findings of fact on appellant's motion for preliminary injunction were in all respects proper and were fully supported by the evidence before the Court.

(c) The Court correctly concluded on the basis of the undisputed evidence that the names used in business by appellant and appellees are not similar and that the public is not likely to be confused or misled thereby.

(d) The Court correctly concluded on the basis of the undisputed evidence that the words "maternity," "mother," "mother-to-be," and the advertising material used by the parties to this litigation were merely descriptive and could not be exclusively appropriated as part of a trade name.

(e) The Court correctly concluded on the basis of the undisputed facts that appellant was guilty of laches so as to preclude its right to a preliminary injunction.

II.

The granting of appellees' motion to dismiss was proper.

(a) All the affidavits were properly before the Court in connection with its ruling on the motion.

(1) A speaking motion is permitted under the federal rules of civil procedure.

(2) A motion to dismiss in such circumstances may properly be considered a motion for summary judgment.

(3) Appellant made no objection in the court below to the use of affidavits in connection with the motion to dismiss and may not make the objection for the first time on appeal.

(b) There is nothing in the record to show that the court below considered any documents other than those filed by appellant.

(c) On the basis of the complaint alone, no claim for relief is stated.

ARGUMENT.

I.

The Denial of Appellant's Motion for Preliminary Injunction Was Proper.

(a) The Question of the Appellant's Right to a Preliminary Injunction Is Not Moot.

Appellant, on pages 37 and 38 of its brief, summarily disposes of the ruling of the trial court on its motion for preliminary injunction by saying that the question is moot on this appeal. An analysis of the situation, however, demonstrates that appellant's contention is unsound and the trial court's ruling on appellant's motion for a preliminary injunction is not moot. While we contend that the trial court ruled properly both with respect to appellees' motion to dismiss and appellees' motion for preliminary injunction, if this Court should see fit to reverse the ruling of the trial court in connection with the motion to dismiss, the preliminary injunction issue would be a very real one. In that event the case would be remanded to the District Court for further proceeding.

Appellant made the motion for preliminary injunction and submitted affidavits in support thereof. Appellees submitted affidavits in opposition to the motion for preliminary injunction, and appellant filed counter-affidavits. Appellant made no contention that it was in any way surprised by the hearing on the motion for preliminary injunction or that it was denied any opportunity to present any proof or evidence or any further affidavits. Appellant filed four affidavits in support of its motion, containing numerous exhibits of the allegedly unfairly competing material. After hearing the arguments of counsel, and considering the affidavits of the parties, the Court made

findings of fact and conclusions of law, and denied the motion for preliminary injunction.

If the appellant's contention be correct, then if the appellant is successful in connection with its appeal from the order granting appellees' motion to dismiss, the question of appellant's right to a preliminary injunction would be in exactly the same situation as it was prior to the Court's ruling thereon. Does appellant wish to have the entire question of the right to preliminary injunction re-determined in the event of a possible reversal by this Court of the order granting the motion to dismiss? Appellant concedes that in ruling on a motion for preliminary injunction the trial court has a very wide discretion, and appellant has failed to mention any respects in which the discretion was abused, merely contending that the act of denying the motion for preliminary injunction was automatic. The findings of fact and conclusions of law made by the Court in connection with its ruling on the motion for preliminary injunction demonstrate that its ruling was not automatic.

Nor has appellant on this appeal pointed to any single finding of fact or to any conclusion of law with which it takes issue.

(b) The Findings of Fact on Appellant's Motion for Preliminary Injunction Were in All Respects Proper and Were Fully Supported by the Evidence Before the Court.

Rule 52(a) of the Rules of Civil Procedure for the District Court of the United States provides:

"In all actions tried upon the facts without a jury [or with an advisory jury], the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate

judgment; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for the purposes of review. Findings of fact shall not be set aside unless wholly erroneous, . . .”²

While appellant’s brief contains no objection or specification of error with respect to any of the findings, in the Statement of Points Upon Which Appellant Intends to Rely on Appeal [Tr. 60], one of the points specified is that the court erred in making a finding as to appellees’ lack of fraudulent intent, as contained in Finding No. 9. Accordingly, none of the remaining findings shall here be considered inasmuch as appellant does not assert any error in connection therewith on this appeal.

The issue of whether or not the appellees intended or attempted to pass themselves off as appellant was before the trial court in the form of contradictory affidavits filed by the respective parties. Appellant alleged in paragraph 14 [Tr. 6] of its complaint, that “defendants in the conduct of their business are endeavoring to pass themselves off as being connected with plaintiffs in a manner and with the intent to deceive the public, and to cause the public to believe that maternity apparel sold by plaintiff can be purchased at the retail store of said defendants or by mail order from it.” Again in paragraph 15 [Tr. 7] of appellant’s complaint, it is alleged that appellees have

²The rule in effect and which governed the proceedings below did not contain the phrase in brackets. That phrase was added by the 1946 amendments to the Federal Rules.

“intensified their simulation of plaintiff and plaintiff’s corporate name and trademark.”

In the affidavit of Raphael Bryant Malsin, filed by appellant in support of its motion for preliminary injunction, there are numerous similar allegations concerning the intent of appellees. Thus the affiant states [Tr. 16] “defendant is increasing its effort to hold itself out as being connected with plaintiff and imitates plaintiff’s name and slogan,” and again it is contended in that affidavit that appellees were guilty of numerous similar acts of simulation and copying of appellant’s advertising material [Tr. 17].

These contentions of appellant as to appellees’ lack of good faith are directly and specifically contradicted in the affidavit of Jack Lane, Jr., when he states [Tr. 26]:

“At no time have defendants, or any of them, intended or attempted to pirate, copy or simulate any of plaintiff’s trademarks, slogans, lettering or advertising; nor have defendants, or any of them, at any time, intended or attempted to confuse or mislead the customers of either plaintiff or defendants, or any members of the public concerning defendants’ identity.”

Thus the issue of appellees’ intention and good faith was before the court upon the motion for preliminary injunction and we respectfully submit that the finding of good faith was fully supported by the evidence before the court. While it is true that positive proof of bad faith is not necessary to establish a cause of action for unfair competition if the conduct complained of is likely to mislead and cause confusion among members of the public,

Academy of Motion Picture Arts & Sciences v. Benson, 15 Cal. 2d 685; *Sunmaid Raisin Growers v. Mossesion*, 84 Cal. App. 485; *Del Monte Special Food Co. v. Calif. Packing Corp.*, 34 F. 2d 774, the question of the defendant's good faith is an important issue upon a motion for preliminary injunction. *British American Tobacco Co. v. British American Cigar Co.*, 211 Fed. 933. Moreover, the recent decision of this Court in the case of *Lerner Stores Corp. v. Lerner*, 162 F. 2d 160, indicates that this Court placed great importance upon the acts of the defendant evidencing his good faith. In that case this Court ruled that reasonable precautions had been taken by the defendant on every occasion where the so-called unfairly competing material was called to his attention.³ In the instant case it is undisputed that when appellant made objection to appellees' use of script lettering in appellees' advertising, appellees immediately discontinued the use of the script lettering in their advertising material. The trial court so found in Finding No. 8 [Tr. 47], and no objection to that finding has or could have been made.

Even the cases holding that proof of bad faith is not necessary to establish a cause of action for unfair competition give, as the reason for the rule, that bad faith "may be assumed where the facts indicate that a purchaser exercising ordinary care, would be likely to be deceived by imitation of a trademark." *Sunmaid Raisin Growers v. Mossesion*, 84 Cal. App. 485 at 497; *Calif. Prune Assn. v. Nicholson Co.*, 69 Cal. App. 2d 207 at 220. Con-

³In that case the plaintiff, doing business as "Lerner Shops," complained of the defendant's doing a similar business under the name of "Lerner's." When the plaintiff first objected, the defendant added to his name his first name and his shop was thereafter known as "Wilfred Lerner." The court ruled that these corrective measures of the defendant indicated his good faith.

versely, it would follow that where the facts indicate that a purchaser, exercising ordinary care, would not be likely to be deceived, it may be assumed that the defendant has not acted in bad faith. Thus in the instant case, in connection with its ruling on a preliminary injunction, the court had before it samples of all the advertising material which appellant contended was similar to and pirated from appellant. On the basis of this evidence the court concluded that there was no similarity. Certainly, had the appellees intended or attempted to pass themselves off as appellant, they would have selected a name and used advertising material similar to appellant's so as to confuse and mislead members of the public. In view of the conflicting affidavits, the inference of good faith follows naturally and logically from the conclusion that the names and the advertising material were not similar so as to resolve the conflict in favor of appellees and support the findings of the lack of bad faith.

(c) The Court Correctly Concluded on the Basis of the Undisputed Evidence That the Names Used in Business by Appellant and Appellees Are Not Similar and That the Public Is Not Likely to Be Confused or Misled Thereby.

The principal affidavit filed by appellant in support of its motion for a preliminary injunction was the affidavit of Raphael Bryant Malsin [Tr. 10]. In that affidavit the alleged acts of appellees which appellant contended were likely to cause confusion in the minds of the public between the identity of the parties were as follows [Tr. 17]:

1. Using a corporate name, which resembles and takes unto itself part of the corporate name and trademark of appellant, in the maternity apparel

business in which appellant has been engaged for many years;

2. Attempting in the course of such business to divert unto itself the goodwill of appellant by simulating its corporate name and by copying and paraphrasing the advertising slogans and phrases of appellant with respect to “mother-to-be” in connection with the use of appellant’s corporate name and trademark;

3. Seeking to divert appellant’s business unto itself by advertising for mail order business in the same media used by appellant, *i. e.*, nationally circulated magazines, under an imitative name and similar slogan;

4. Attempting to solicit a retail and mail order business under a name similar to appellant’s in a field in which appellant has been preeminent for more than 25 years.

A consideration of the aforementioned contentions of the appellant in the light of the evidence contained in the affidavits before the court, shows that the court properly ruled that there was no such similarity of names or of advertising material as to warrant the granting of a preliminary injunction. The corporate name of appellant, to-wit, Lane Bryant, is the name of the original founder of appellant’s business, Lane being the first name and Bryant the surname [Tr. 3, 10]. There is no allegation that the name of the appellant was shortened to Lane or to Bryant, and it would appear from the advertising material attached as exhibits to the affidavit of appellant that the name was known simply as “Lane Bryant.” Nor is there any allegation that appellees’ name was known

to the general public by any name other than "Maternity Lane." It is true that the appellees' name contains the word "Lane," which is a word used in the name of appellant, but is "Lane-Bryant" the same as "Maternity Lane," or so similar thereto that the public would be likely to be misled or confused as to the identities of the parties? We contend the names themselves are wholly dissimilar and that no reasonable person could be misled thereby.

"Lane-Bryant" and "Maternity Lane" do not look alike, and they do not sound alike. Moreover, the former is obviously the name of an individual, whereas the latter would seem to describe a path or walk—it is obviously not a personal name.

(d) The Court Correctly Concluded on the Basis of the Undisputed Evidence That the Words "Maternity" "Mother," "Mother-to-be," and the Advertising Material Used by the Parties to This Litigation Were Merely Descriptive and Could Not Be Exclusively Appropriated as Part of a Trade Name.

The second act complained of in Mr. Malsin's affidavit is the alleged use of the phrase "mother-to-be" in the advertising material used by appellees. Specimens of advertising used by both appellant and appellees were before the court as exhibits to the affidavits filed by appellant. These exhibits are before this court and may be considered by it in their original form, and we submit that no such similarity appears from the advertising. Moreover, attached to the affidavit of Jack Lane, Jr., were numerous specimens of advertising of maternity apparel used in Los Angeles and throughout the United States where the phrases "mother-to-be" and "mothers-to-be" are used. These phrases being composed exclusively of descriptive

words are not capable of exclusive appropriation as part of a trade name. *Amoskeag Mfg. Co. v. Trainer*, 101 U. S. 51; *Columbia Mill Co. v. Alcorn*, 150 U. S. 460; *Van Camp Sea Food Co. v. Cohn-Hopkins*, 56 F. 2d 797; *Purity Springs Water Co. v. Redwood Ice Co.*, 203 Cal. 286; *National Biscuit Co. v. Kellogg Co.*, 305 U. S. 111. The frequent use of the phrases by other persons as indicated by the exhibits to Mr. Lane's affidavit shows that appellant has not in fact appropriated the phrase. Moreover, it should be noted that the papers filed by appellant in this case conclusively demonstrate that appellant has not even attempted to appropriate the phrase as part of its trade name. Exhibit "A" attached to the affidavit of Raphael Bryant Malsin filed by appellant in support of its motion for preliminary injunction is a 1947 mail order catalog published by appellant. Although appellant's name appears prominently on the cover and throughout said catalog, the word "maternity" does not appear on the cover thereof, nor does it appear in the catalog in close proximity to appellant's name. Moreover, a careful reading of said catalog will reveal that the phrase "mother-to-be" never appears in any part of said catalog. Exhibit "C" to said affidavit contains photostatic copies of advertisements of appellant's mail order catalog for the years 1944 to 1947. Each such advertisement contains a reproduction of the cover page of appellant's catalog for each of said years, and none of the covers of any of the catalogs for said years contains either of the descriptive phrases assertedly appropriated by plaintiff. The catalogs

for each of said years contains the phrase “expectant mother” in a prominent position, and it would seem that if any such descriptive phrase would be closely associated with appellant’s, it would be the phrase “expectant mother.”

The remaining acts complained of in Mr. Malsin’s affidavit consist of the engagement in the mail order business by appellee and the attempt to solicit retail and mail order business. Appellant would seem to be objecting to competition, not unfair competition.

(e) The Court Correctly Concluded on the Basis of the Undisputed Facts That Appellant Was Guilty of Laches so as to Preclude Its Right to a Preliminary Injunction.

Finding No. 10 of the findings of fact signed by the court below in connection with its denial of appellant’s motion for preliminary injunction reads as follows [Tr. 47]:

“Plaintiff had knowledge of the name and the business activities of the defendants since on or about February 15, 1946, and on that date and on several occasions thereafter, plaintiff protested to the defendants of the use by defendants of the name “Maternity Lane,” in connection with the sale of maternity apparel. After negotiations between the parties, defendants refused to make any changes in the name under which they did business, whereupon plaintiff commenced this action on October 2, 1947.”

Appellant, having made no objection to this finding, cannot assert any error in connection therewith on this ap-

peal.⁴ This finding fully supports the conclusion of laches. Indeed, appellant could not have raised any objection to Finding No. 10 inasmuch as that finding is based exclusively upon the facts set forth in papers filed by appellant in support of its motion for a preliminary injunction. The finding is based upon Mr. Malsin's affidavit filed by appellant in the court below in support of its motion for preliminary injunction [Tr. 16-17] and the exhibits attached thereto [Exhibits K, L and M], which this Court is respectfully requested to consider in their original form pursuant to the order of this Court filed in this case [Tr. 61]. These documents show that on the date appellees first opened their business in February, 1946, appellant made formal written protest of the name to be used and which was in fact used by appellees in the carrying on of their business. The allegations of the complaint and of Mr. Malsin's affidavit further show that despite such protests appellees refused to make any change in the name under which they did business, and yet appellant did not file its action until October 2, 1947, a period of approximately 19 months after appellant first had knowledge of and objected to the name under which appellees did business.

During those 19 months the appellees were engaged in business under the name "Maternity Lane." Clearly appellant's delay is of itself sufficient to show that there was no need for preliminary injunction. Laches is a defense

⁴Subsection 2(d) of Rule 20 of the Rules of the Circuit Court of Appeals for the 9th Circuit; see also O'Brien Manual of Federal Appellate Procedure (3rd Ed.), page 208; see also 4th Cumulative Supplement to O'Brien's Manual of Federal Appellate Procedure (3rd Ed.), page 64.

to a request for a preliminary injunction in a case involving alleged unfair competition, or trademark infringement.

Estes v. Worthington, 22 Fed. 822;

C. O. Burns Co. v. W. F. Burns Co., 118 Fed. 944;

Havana Commercial Co. v. Nichols, 155 Fed. 302;

Best Foods v. Hemphill Packing Co., 295 Fed. 425;

Quigley Publishing Co. v. Showman's Round Table,
7 Fed. Supp. 410.

Such a finding and conclusion cannot be considered to be an adjudication on the merits of the controversy, inasmuch as laches is no defense to a permanent injunction. (*Brooks Bros. v. Brooks Clothing Co. of Calif.*, 67 Fed. Supp. 442, aff'd 158 F. 2d 798, cert. den. 328 U. S. 217.) It is elementary law that a preliminary injunction is an extraordinary remedy and should only be granted to preserve the *status quo* and then only when the case presented is clear and free from reasonable doubt. In the instant case the granting of a preliminary injunction would have effectively disposed of the entire controversy. Accordingly, it was incumbent upon appellant to establish a clear case of irreparable damage to warrant the granting of a preliminary injunction. All the papers filed by appellant herein do not indicate such a similarity of names as to warrant this extraordinary remedy. (*Anargyros & Co. v. Anargyros*, 167 Fed. 753; *Flintco v. Philip Cherry Co.*, 113 F. 2d 850; *R. B. Davis Co. v. Davis*, 75 F. 2d 499.) As conceded by appellant on page 37 of its opening brief, "the trial court ordinarily has a great deal of discretion in dealing with the preliminary injunction." No showing of any abuse of discretion has been made.

II.

The Granting of Appellees' Motion to Dismiss Was Proper.

(a) All the Affidavits Were Properly Before the Court in Connection With Its Ruling on the Motion.

1. A SPEAKING MOTION IS PERMITTED UNDER THE FEDERAL RULES OF CIVIL PROCEDURE.

On pages 9 to 11 of appellant's opening brief, the point is made that the court below committed error in considering the affidavits filed by the parties in connection with its ruling on the motion to dismiss. In support of this contention, appellants rely principally upon the decision of the United States Supreme Court in *Polk Co. v. Glover*, 305 U. S. 5, 59 S. Ct. 15, 83 L. Ed. 6. That case, however, was decided on the basis of old equity Rule 29, 28 U. S. C. A., Sec. 723, which governed civil procedure in the Federal District Courts prior to the promulgation and effectiveness of the Federal Rules of Civil Procedure; the Federal Rules of Civil Procedure were effective on September 16, 1938, and superseded the Equity Rules. Of course the Federal Rules of Civil Procedure were in effect and governed the proceedings in the court below.

The decision of the Supreme Court in the case of *Polk Co. v. Glover* was based upon the express limitation contained in Equity Rule No. 29 which was being construed by the court. That rule provided:

“Every defense in point of law *arising upon the face of the bill*, whether for misjoinder, non-joinder, or insufficiency of fact to constitute a valid cause of action in equity . . . shall be made by motion to dismiss. . . .” (Emphasis added.)

In view of the italicized provision of the Rule, the motion obviously could be aimed only at matters appearing in the bill. There is no such limitation in Rule 12(b) of the Federal Rules of Civil Procedure. The rule in effect at the time of the hearing in the court below read as follows:

“Every defense, in law *or fact*, to a claim for relief in any pleading . . . shall be asserted in the responsive pleading thereto if one is required, except that the following defenses *may* at the option of the pleader be made by motion:

- (1) Lack of jurisdiction over the subject matter,
- (2) Lack of jurisdiction over the person,
- (3) Improper venue,
- (4) Insufficiency of process,
- (5) Insufficiency of service of process,
- (6) Failure to state a claim upon which relief can be granted.” (Emphasis added.)

The differences between Rule 12(b) and former Equity Rule 29 are apparent. Equity Rule 29 imposed a positive requirement that the defenses in point of law there specified be made by motion to dismiss. Rule 12(b), on the other hand, applied to defenses in law and fact and permitted the assertion of such defenses either “in the responsive pleading” or “at the option of the pleader” by motion. It would seem, therefore, that the express provisions of Rule 12(b) made a motion to dismiss as broad as any of the defenses that could be asserted in an answer and thus permit a “speaking motion.”

A majority of the circuits that have considered the question have so held.⁵ All of the circuits that have considered this question under Rule 12(b) of the Federal Rules have reached their decision subsequent to the decision of the Supreme Court in the case of *Polk Co. v. Glover, supra*.

In the case of *Gallup v. Caldwell* (C. C. A. 3rd, 1941), 120 F. 2d 90, the defendant moved to dismiss part of the complaint on the ground that plaintiff in a secondary class action by a shareholder of a corporation was not in fact a shareholder at the time of the transaction complained of and the motion was supported by affidavits. The motion was sustained. and the propriety of the speaking motion was justified in the following language:

"The problem which, restated, is whether the Federal Rules of Civil Procedure countenance a 'speaking motion' to dismiss, has been much discussed since the adoption of the rule. Each side of the question has drawn to it distinguished proponents. Their arguments and reasons are collected in a note in 9 George

⁵FIRST CIRCUIT: *Ellis v. Stephens*, 126 F. 2d 263.

SECOND CIRCUIT: *Boro-Hall Corp. v. General Motors Corp.*, 124 F. 2d 822; *Samara v. United States*, 129 F. 2d 594, cert. den. 317 U. S. 686; *Central Mexico Light & Power Co. v. Munch*, 116 F. 2d 85; *Joint Council etc. Co. v. L. & W. Railroad Co.*, 157 F. 2d 417.

THIRD CIRCUIT: *Gallup v. Caldwell*, 120 F. 2d 90; *Victory v. Manning*, 128 F. 2d 378.

FIFTH CIRCUIT: *Local No. 1470 etc. v. So. Pac. Co.*, 131 F. 2d 605.

SIXTH CIRCUIT: *Lucking v. Delano*, 129 F. 2d 283.

SEVENTH CIRCUIT: *Weeks v. Bareco Oil Co.*, 125 F. 2d 84; *Carroll v. Morrison Hotel Co.*, 149 F. 2d 404.

COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA: *National War Labor Board v. Montgomery Ward Co., Inc.*, 144 F. 2d 528.

Washington Law Review, 174 (December 1940). We think that such procedure should be permitted especially in the kind of situation here presented. See 1 Moore's Fed. Practice 645. Despite plaintiff's allegation of stock ownership, it is clear that she was not a stockholder whose ownership was registered on the books of the corporation at the time suit was instituted. If record ownership is a prerequisite to the right to bring this action, then it is expedient that the point be decided preliminarily. The alternative would be to sanction discovery and perhaps other pretrial proceedings likely to be exceedingly burdensome upon both parties only to have the case ultimately dismissed at the trial because of the plaintiff's inability to prove a fundamental but initial point. This would not only be a needless waste of the court's time but it would run counter to the mandate of Rule 1, that the rules 'be construed to secure the just, speedy, and inexpensive determination of every action.' "

The reasoning of the Third Circuit Court of Appeals applies with particular force to the instant case. Appellant's complaint contains numerous allegations with respect to the similarity of the advertising material used by the parties. In the affidavits filed by appellant itself examples of this alleged unfairly competing advertising material are attached as exhibits. An examination of these exhibits gives the court an opportunity to consider the allegations of similarity, which in the light of the exhibits become mere conclusions. If the court feels as it did in the instant case that the advertising material and the lettering used are not similar in any way to that of the appellant, why should the court and the parties undertake the burden of a trial when it is apparent that the appellant could not establish its allegation? What more could have

been before the court, assuming a trial was had? The two names, *i. e.*, Lane-Bryant and Maternity Lane, were before the court in the complaint; the advertising material and the lettering complained of before the court in the affidavits of appellant.

The only other authority cited by appellant in support of its contention is the case of *Land v. Dollar*, 330 U. S. 731, 67 S. Ct. 1009, 91 L. Ed. 903. The language quoted by appellant was not part of the opinion, but was contained in a footnote in Mr. Justice Douglas' opinion and a reading of the opinion demonstrates that the footnote was pure dictum and the cases cited by the Court in support of the footnote all arose under Equity Rule 39. It is also interesting to note that in the balance of the footnote, which was not included in the quotation reprinted by appellant in its brief in this case, the Supreme Court recognized the propriety of considering affidavits in connection with jurisdictional matters. That footnote, in addition, contained the following language:

“But when a question of the District Court's jurisdiction is raised, either by a party or by the court on its own motion, Judicial Code Sec. 37, 28 U. S. C. Sec. 80, Federal Rule of Civil Procedure 12(b), the court may inquire by affidavit or otherwise into the facts as they exist.”

As conceded by appellant on page 12 of its opening brief, questions of unfair competition must be determined by applicable state law. The California Supreme Court in the case of *Scudder Food Products, Inc., v. Ginsberg* (1942), 21 Cal. 2d 596, had before it a question involving the propriety of the trial court's sustaining a demurrer to the plaintiff's complaint. In affirming the ruling of the

trial court, the California Supreme Court states (21 Cal. 2d at 601) :

“The theory of plaintiff is that defendants accomplished their alleged fraudulent purpose by imitating a distinct combination of features of size, shape, color arrangement, and textual similarities adopted by the plaintiff, and that by such means the public was misled. If, in fact, the plaintiff had pleaded such facts we have no doubt that it would have pleaded good causes of action. The difficulty with the first four causes of action is that plaintiff has pleaded either as exhibits or by description the alleged imitative containers and labels. An examination of such containers and labels demonstrates, as a matter of law, that no reasonable person could conceivably be misled into believing defendants’ containers and labels were those of plaintiff. While it ordinarily is a question of fact as to whether two containers and labels are so similar as to constitute unfair competition, and it is also ordinarily a question of fact as to whether the public has been or is likely to be misled, in this case the dissimilarities are so palpable, distinct and clear that it must be held, as a matter of law, that they are not similar, and that the public legally could not be misled.”

Thus in the instant case the court had before it examples of the alleged similar advertising material and held, as a matter of law, that they were not similar and that the public legally could not be misled.

2. A MOTION TO DISMISS IN SUCH CIRCUMSTANCES MAY PROPERLY BE CONSIDERED AS A MOTION FOR SUMMARY JUDGMENT.

Prior to the recent amendments to the Federal Rules, it had been held by several circuits that where a motion to dismiss for failure to state a claim upon which relief can be granted is supported by affidavits, the court may properly consider the motion as one for summary judgment pursuant to Rule 56(e). Thus, in the case of *Central Mexico Light & Power Co. v. Munch* (C. C. A. 2nd, 1940), 116 F. 2d 85, the court held that it was proper to consider affidavits in connection with a motion to dismiss whether the motion be deemed a motion to dismiss or one for summary judgment. The court stated:

“It is not important whether the objection is called a motion to dismiss or one for summary judgment. Since the same relief is sought, the difference in name is unimportant. In any event, the affidavits presented are available on either motion. Federal Rules 6(d), 12(b), 56(e); *Palmer v. Palmer*, D. C. Conn., 31 F. Supp. 861; 1 Moore’s Federal Practice 645, 647.”⁶

The rule laid down in these cases has been expressly included in the 1946 amendments to the Federal Rules of Civil Procedure, when there was added to Rule 12(b) the following sentence:

“If, on a motion asserting the defense numbered paragraph (6) to dismiss for failure of the pleading

⁶Accord: *Samara v. United States*, C. C. A. 2d (1942), 129 F. 2d 594; cert. den. 317 U. S. 686; *National War Labor Board v. Montgomery Ward, Inc.* (Court of Appeals for the District of Columbia, 1944), 144 F. 2d 528; *Kithcart v. Metropolitan Life Insurance Co.*, C. C. A. 8th (1945), 150 F. 2d 997.

to state a claim upon which relief can be granted, matters outside the pleading are presented to and not excluded by the court, the motion shall be treated as one for summary judgment and disposed of as provided in Rule 56, and all parties shall be given reasonable opportunity to present all material made pertinent to such a motion by Rule 56.”

These amendments were adopted by the Supreme Court on December 27, 1946, and transmitted to the Attorney General on January 2nd, 1947, and were, pursuant to the provisions of Rule 86(d), to take effect “on the day which is three months subsequent to the adjournment of the first regular session of the Eightieth Congress”; they have been held to have been effective since March 19, 1948. While the hearing and ruling in the instant case was prior to the effective date of the new amendments, the notes of the advisory committee make it clear that the amendment was merely a declaration of the recognized construction of the rule prior to its amendment, and the Supreme Court has stated that the notes of the advisory committee are of weight in connection with the construction of the rules promulgated by the committee.⁷ In the notes of the advisory committee under the 1946 amendment to subdivision (b) of Rule 12, reference is made to the decisions of the Second Circuit which were above cited, and states as follows:

“The addition at the end of subdivision (b) makes it clear that on a motion under Rule 12(b) (6) extraneous material may not be considered if the court excludes it, but that if the court does not exclude such

⁷*Mississippi Publishing Corp. v. Murphee* (1946), 326 U. S. 438, 68 S. Ct. 242, 90 L. Ed. 185.

material the motion shall be treated as a motion for summary judgment and disposed of as provided in Rule 56. It will also be observed that if a motion under Rule 12(b) (6) is thus converted into a summary judgment motion, the amendment insures both parties shall be given a reasonable opportunity to submit affidavits and extraneous proofs to avoid taking a party by surprise through the conversion of the motion into a motion for summary judgment. In this manner and to this extent the amendment regularizes the practice above described. As the courts are already dealing with cases in this way, the effect of this amendment is really only to define the practice carefully and apply the requirements of the summary judgment rule in the disposition of the motion."

In the present case the court below did in effect treat the motion to dismiss as a motion for summary judgment, and all the procedural requisites required by Rule 56 were complied with. Both parties had ample opportunity to file affidavits and counter-affidavits, and no contention has been made by appellant that it was denied any right to file any affidavits it desired.

3. APPELLANT MADE NO OBJECTION IN THE COURT BELOW TO THE USE OF AFFIDAVITS IN CONNECTION WITH THE MOTION TO DISMISS, AND MAY NOT MAKE THE OBJECTION FOR THE FIRST TIME ON APPEAL.

While appellant makes some point of the fact that appellees' affidavits were entitled "In opposition to the Motion for Preliminary Injunction and in support of the Motion to Dismiss," there is nothing in the record to show that appellant made any objections to these affidavits in the court below, although there was ample opportunity

to do so. Appellees' affidavits were filed and served upon appellant on October 17, 1947 [Tr. 26, 29]. Thereafter, appellant filed counter-affidavits, and no objection was made at that time [Tr. 31-33]. The Minute Order of the trial court was dated January 12, 1948 [Tr. 34], and the judgment of dismissal was not signed until February 3, 1948 [Tr. 50], after it had been approved as to form by counsel for appellant. The record is devoid of any objection whatsoever made by appellant between the time appellees' affidavits were filed on October 17, 1947, and the entry of judgment on February 4, 1948. Under these circumstances it would seem that appellant, without objection, permitted the court below to consider the affidavits in connection with the ruling on the motion to dismiss, and should not be allowed to complain on appeal of any alleged error which might have otherwise been prevented by appellant's timely objection.⁸

(b) There Is Nothing in the Record to Show That the Court Below Considered Any Documents Other Than Those Filed by Appellant.

Appellant's contention that the court erroneously considered affidavits in connection with its ruling on the motion for dismissal seems to be grounded upon the minute order of the court below, filed in this cause on January 12, 1948 [Tr. 34], providing as follows:

“From the complaint *and affidavits on file*, I cannot see the slightest possibility of a misleading or decep-

⁸*Monaghan v. Hill* (C. C. A. 9th), 140 F. 2d 31. In that case the court stated that the purpose of requiring an objection is so that the trial court may be informed of the supposed error in order to give it an opportunity to reconsider its ruling and to make any changes deemed advisable. See also 4th Cumulative Supplement to O'Brien's Manual of Federal Appellate Procedure (3rd Ed.), page 64.

tive statement in so far as the plaintiff's name or business is concerned, in either the name of the defendants, or the use by the defendants in their business of the words 'maternity,' 'mother,' 'mother-to-be,' 'motherhood' or the picture of a 'stork' or the picture of a clothed pregnant woman. Both the words and ideas back of them have been so long in the public domain, as well as the use of special clothing during pregnancy, *as to preclude relief under the plaintiff's complaint*, or the motion for temporary restraining order and the affidavits filed. Nor does the use of the word 'Lane' by the defendants indicate any basis for relief under plaintiff's complaint and *affidavits*. The motion for injunction is denied. The motion to dismiss is granted." (Emphasis added.)

We respectfully submit that a reading of the Minute Order does not indicate that the court considered any affidavits in connection with its ruling on the motion to dismiss. The phrase used in the opinion "as to preclude relief under the plaintiff's complaint" indicates that the court considered the complaint separately in connection with the motion to dismiss from the affidavits, which were considered with the motion for temporary restraining order, because immediately following that phrase the court added: "Or the motion for temporary restraining order and the affidavits filed."

Even if it be assumed that the court considered certain of the affidavits in connection with its ruling on the motion to dismiss, there is nothing in the record to indicate that the court considered any affidavits other than those

filed by appellant. As previously pointed out, appellant's affidavits contained samples of the allegedly pirated advertising material, so that the court examined said samples and determined for itself whether the conclusion stated in the complaint that the advertising material was similar was warranted. A reading of the Minute Order shows that this is just what the court did and concluded therefrom that there was not "the slightest possibility of a misleading or deceptive statement." Appellant should not be permitted to complain that the court considered its own affidavits and on the basis thereof granted a motion for summary judgment.

(c) On the Basis of the Complaint Alone, No Claim for Relief Is Stated.

On page 25 of its opening brief appellant states that the sole issue in connection with the ruling of the court below is "does the adoption of a name identical in part, dissimilar in part, and the use of similar advertising methods, with the purpose of causing confusion of goods and deception to the public, allow an injunction?" A restating of this issue as so phrased by appellant we think gives a full answer thereto. Does the adoption of the name "Maternity Lane" and the use of similar advertising methods, with the purpose of causing confusion of goods and deception to the public, allow an injunction to a business organized under the name "Lane-Bryant"? Very simply stated the question is: Is the name "Maternity Lane" in any way similar to the name "Lane-Bryant"? As stated by

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Judge Yankwich in his scholarly opinion in the case of *Brooks Bros. v. Brooks Clothing of California*, 60 Fed. Supp. 442, affirmed by this Court in 158 F. 2d at 798, cert. den. 328 U. S. 217:

“The ultimate issue in infringement cases is the likelihood that prospective purchasers will be misled.”
(60 Fed. Supp. at 450.)

The allegations in the complaint of the appellees’ bad faith must be considered in the light of the quoted rule, and whether or not appellees acted in bad faith the question as to whether or not the name “Maternity Lane” is similar to “Lane-Bryant” is the same, and this is a question of law. As stated by the California Supreme Court in *Scudder Food Products v. Ginsberg* (1943), 21 Cal. 2d 596, at 602:

“While it ordinarily is a question of fact as to whether two containers or labels are so similar as to constitute unfair competition, and it is also ordinarily a question of fact as to whether the public has been or is likely to be misled, in this case the dissimilarities are so palpable, distinct and clear that it must be held, as a matter of law, that they are not similar, and that the public legally could not be misled.”

The California Supreme Court affirmed the sustaining of a demurrer to the complaint, notwithstanding that the complaint contained allegations as follows:

“That defendants have imitated such distinctive and characteristic containers and packages together

with the labels and designs; . . . that plaintiff's mode of packing became associated in the mind of the public with plaintiff's goods and that except for the defendants' acts the public could have continued to easily and readily and without the necessity of close reading identified plaintiff's merchandise; that defendants' acts are for the express purpose of misleading the public; that the similarity in packages is such that the public are and have been misled." (21 Cal. 2d at 597.)

That complaint also alleged:

"That the acts stated are done with a fraudulent intent to injure and divert the business of the plaintiff and to deprive plaintiff of profits which would otherwise accrue." (21 Cal. 2d at 598.)

The language of the California Supreme Court would apply with equal force to the instant case—the dissimilarities between the names "Lane-Bryant" and "Maternity Lane" are so "palpable, distinct and clear that it must be held, as a matter of law, that they are not similar, and that the public legally could not be misled."

Counsel for appellant point to the similarity of advertising, and in their complaint they refer particularly to the use of script-type lettering and the phrase "mother-to-be" in connection with advertising the sale of maternity apparel. As stated by Judge Yankwich in his opinion in the *Brooks* case (60 Fed. Supp. at 457):

"The answer is obvious. Advertising follows a pattern. . . . As one reads the advertisements of

today, one is struck by the fact that the advertising writers have run out of adjectives and now fall into clichés. . . . And as language tends to run into a pattern, it is difficult, when speaking of similar things, to avoid the use of the same words, even in a language so rich as the English language. A phrase once seen by a writer of advertising copy may linger in the mind to such an extent that, *unconsciously*, he may use it in one of his own. Just as in one's writing, one may use phrases which have come from reading them in others' writing. Witness the currency of phrases like 'at long last' or 'blood, sweat and tears' after their use by famous personages."

In order to state a cause of action for unfair competition based upon similarity of names, it must be manifest to the court on inspection of the two names that the similarity as a whole would be likely to deceive ordinarily attentive and observing retail purchasers, or there must be proof of actual mistake by purchasers. (*American Brewing Co. v. Bicnville Brewery*, 153 Fed. 615.) In this case there are no allegations either in the complaint or in any of the affidavits filed by appellant that any members of the public have actually been misled, the contention being merely that the names are so similar that the public is likely to be misled. An examination of the cases relied upon by appellant shows that in every instance there was a marked similarity in the names involved and in each case the plaintiff was successful. The obvious distinction be-

tween those cases and this case is forcefully illustrated in graphic form:

<i>Name of Case</i>	<i>Name of Plaintiff</i>	<i>Name Complained Of</i>
<i>Weinstock, Lubin & Co. v. Marks</i> , 109 Cal. 529 (Cited on page 13 of Appellant's Brief)	Mechanics Store	Mechanical Store
<i>Modesto Creamery v. Stanislaus Etc. Co.</i> , 168 Cal. 289 (Cited on page 14 of Appellant's Brief)	Modesto	Modesto
<i>Banzahf v. Chase</i> , 150 Cal. 100 (Cited on page 16 of Appellant's Brief)	Old Homestead Bread	New Homestead Bread
<i>Eastern Columbia v. Waldman</i> , 30 Cal. 2d 268 (Cited on page 17 of Appellant's Brief)	Eastern Columbia	Western Columbia
<i>Academy of Motion Pictures v. Benson</i> , 15 Cal. 2d 685 (Cited on page 18 of Appellant's Brief)	Motion Picture Academy	The Hollywood Motion Picture Academy
<i>Carolina Pines v. Catalina Pines</i> , 128 Cal. App. 34 (Cited at page 18 of Appellant's Brief)	Carolina Pines	Catalina Pines
<i>Hoover Co. v. Groger</i> , 12 Cal. App. 2d 417 (Cited at page 18 of Appellant's Brief)	Hoover Company and Hoover Suction Sweeper Co.	Hoover Vacuum Cleaner Repairing
<i>Hoyt Heater Co. v. Hoyt</i> , 68 Cal. App. 2d 523 (Cited at page 19 of Appellant's Brief)	Hoyt Automatic Water Heater Company	Hoyt Automatic Water Heater Repair Service
<i>Physicians Electric Corp. v. Adams</i> , 79 Cal. App. 2d 550 (Cited at page 19 of Appellant's Brief)	Physicians Electric Service Corp.	Physicians Electronic Service Corp.
<i>Hainque v. Cyclops Iron Works</i> , 136 Cal. 351 (Cited at page 19 of Appellant's Brief)	Cyclops Machine Works	Cyclops Iron Works

It is obvious that if the following addition were made to this chart it would result in an anomaly:

<i>Name of Case</i>	<i>Name of Plaintiff</i>	<i>Name Complained Of</i>
<i>Lane-Bryant v. Maternity Lane</i>	Lane-Bryant	Maternity Lane

On page 14 of appellant's brief there is a quotation from the decision of the California Supreme Court in the case of *Italian Swiss Colony v. I. Vineyard Co.*, 158 Cal. 252, at 255, 256. We should like to add to the portion of the opinion quoted by appellant the sentence immediately following the quotation referred to by appellant:

"If the defendant can be shown to have put up his product with intent to palm it off as that of plaintiff, *and if it does in fact tend to mislead the purchasing public*, a case is made out, even though plaintiff has shown no exclusive right in any trademark or trade name." (Emphasis added.)

This sentence, particularly the portion which we have italicized, shows that in addition to bad faith it must be shown that the conduct complained of must "in fact tend to mislead the purchasing public."

This Court has recognized that in cases such as the present one, the crucial test is whether or not the public is likely to be deceived or misled. Thus in the case of *Lerner Stores Corp. v. Lerner* (C. C. A. 9th, 1947), 162 F. 2d 160, the plaintiff operated a chain of stores known as the "Lerner Shops" engaged in the sale at retail of ladies' clothing. The plaintiff was a corporation and had a store in San Francisco, and by this action sought to enjoin the defendant, one Wilfred Lerner, from using the word "Lerner" in connection with the name of his store in San Jose where he engaged in the sale at retail of ladies' clothing. The trial court gave judgment for the defendant, and in affirming that judgment this Court stated, as one of the basic questions for decision, the following (162 F. 2d at 162):

"Did the use of the name 'Lerner' by appellee lead the public to understand that his goods were the goods of appellant 'Lerner Shops'?"

In that case also the appellee was using his own name. While we do not contend that a person has an absolute right to use his own name in business, we do contend that that fact should be considered by any court called upon to enjoin the use of that name, particularly with reference to any allegations of bad faith. That is what this Court did in the *Lerner* case, and that is what the court below did in the instant case.

The *Lerner* case also provides a complete answer to appellant's contention in the instant case with respect to the partial similarity of names. The name "Wilfred Lerner" is certainly much more similar to the name "Lerner Shops" than is the name "Maternity Lane" to "Lane-Bryant." Surely in determining whether or not the names are similar regard must be given to the name as used. In the instant case there are no allegations in the complaint that either the appellant's or appellees' name was shortened to Lane or Lane's. The allegations are clear that the two parties were known by their customers simply as "Lane-Bryant" and "Maternity Lane" respectively. While the word "Lane" appears in each name, in each instance it is used in a different sense. In appellant's name the word "Lane" is used as a part of the name of an individual who originally opened the store subsequently acquired by appellant; the name "Maternity Lane" in no sense describes an individual. The word "Lane" is used in the name to describe a path or walk, and in no way even suggests the name of an individual.

If appellant's contention is valid, an individual having the name of Richard Hall who became established in business under that name could enjoin the use in a similar business of the names "Hall of Justice" or "Carnegie Hall."

The foregoing argument applies to any alleged cause of action for common law unfair competition, or for trademark infringement. The former is common law right, whereas the latter is purely statutory. The distinctions and similarities between the two are discussed in the decision of the District Court in *Brooks Bros. v. Brooks Clothing of California* (60 Fed. Supp. 442 at 447), and as stated by Judge Yankwich in the *Brooks* opinion (60 Fed. Supp. at 450):

“The ultimate issue in infringement cases is the likelihood that prospective purchasers will be misled. . . . The principle applies to unfair competition cases and to trademark cases, whether registered or unregistered.”

Conclusion.

The record in this case shows that appellant presented to the court below documentary evidence of the alleged unfairly competing or infringing advertising material, and that on the basis thereof the Court determined there was no right to a preliminary injunction. The Court also ruled that the appellees were entitled to judgment and, as we have shown, this ruling is proper either as a judgment on a motion for summary judgment or on a motion to dismiss, and we respectfully urge that both the order denying appellant's motion for preliminary injunction and the judgment of dismissal be affirmed.

Respectfully submitted,

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